


Government of the District of Columbia  
Office of the Chief Financial Officer



Jeff DeWitt  
Chief Financial Officer

**MEMORANDUM**

**TO:** The Honorable Phil Mendelson  
Chairman, Council of the District of Columbia

**FROM:** Jeff DeWitt  
Chief Financial Officer 

**DATE:** November 17, 2014

**SUBJECT:** Fiscal Impact Statement – “Omnibus Alcoholic Beverage Regulation Amendment Act of 2014”

**REFERENCE:** Bill 20-902, Draft Committee Print as provided to the Office of Revenue Analysis on November 12, 2014

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*This fiscal impact statement replaces the one issued on July 11, 2014 to include changes made in the draft Committee Print.*

**Conclusion**

Funds are sufficient in the proposed FY 2015 through FY 2018 budget and financial plan to implement the bill.

**Background**

The bill creates two temporary festival licenses for the selling, serving and consumption of alcoholic beverages at festivals: Class H for beer and wine, and Class I for spirits, beer, and wine. Class H license fees are set at a minimum of \$1,000 and Class I at a minimum of \$2,000. A festival license may be issued for festivals between five and 15 days long<sup>1</sup> and only one license may be issued to an applicant in any three-month period. The license permits delivery of alcoholic beverages up to 48 hours before the event (when the event is occurring on a weekend or holiday), but may only be consumed during the date and times approved by the Alcoholic Beverage Control Board.

The bill creates a Class C license to operate a facility that manufactures alcohol-infused confectionery food products and sets the license fee at a minimum of \$1,000. Additionally, the bill permits the holder of a manufacturer’s license, Class A or B, to apply for an on-site sales and consumption permit for consumption of wine or beer made by the manufacturer’s license holder.

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<sup>1</sup> For events fewer than five days, a temporary license can be issued. (D.C. Official Code § 25-115).

The bill also makes several other technical clarifications to existing law regarding alcoholic beverage licenses requirements and Alcoholic Beverage Regulation Administration (ABRA) enforcement. Among the changes, the bill:

- Requires restaurants in a hotel with a hotel license to have an agreement with the hotel regarding service of alcoholic beverages in the hotel;
- Clarifies that tasting licenses can only be issued under a manufacturing license, Class A or B, and a retail license, Class A or B, and that wine tasting may also occur under the tasting license;
- Clarifies that someone operating under a manager's license need not be the owner of the business;
- Clarifies that the 400 foot distance prohibition between off-premises retail licensees does not apply to internet businesses;
- Clarifies that nightclub and tavern licenses in the Georgetown historic district may be transferred, so long as the total number of licenses does not exceed six; and,
- Provides ABRA investigators authority to seize a liquor license.

### **Financial Plan Impact**

Funds are sufficient in the proposed FY 2015 through FY 2018 budget and financial plan to implement the bill.

The new license classes could increase fee revenue in the ABRA Administration Fund<sup>2</sup>, but at this time it is unknown how many business are likely to take advantage of the new licenses.

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<sup>2</sup> D.C. Official Code § 25-210.